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United States Senate

WASHINGTON, DC 20510

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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April 24, 1996

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service
(CC Docket No. 96-45)

Dear Mr. Chairman:

The Telecommunications Act of 1996 has the potential to open new doors for Americans everywhere to the exciting realm of technologically assisted education and life-long learning, and improve access to health care in rural areas. As the chief sponsors of new Section 254(h) of the 1996 Act -- the Snowe-Rockefeller-Exon-Kerrey provision -- we believe it is imperative for our nation's universal service system to assure that children and other community users -- particularly in rural areas -- have affordable access to the national information superhighway. Telecommunications transmission costs in rural, remote and underserved areas are much more expensive because of the vast geography and/or low population density.

The Snowe-Rockefeller-Exon-Kerrey provision of the universal service section of the 1996 Act was specifically intended to ensure that our nation's elementary and secondary (K-12) schools, libraries, and rural health care providers have affordable access to essential advanced telecommunications services. If implemented as intended by Congress, the universal service provisions of the Act in general, and new Section 254(h) in particular, will empower individuals by making education and health care accessible to all Americans, regardless of their location, economic status, age or disability.

Section 254(h), if implemented properly, will dramatically change the ways in which American children learn, how adults upgrade their skills, and how rural health care is provided. We urge you and members of the Federal-State Joint Board on Universal Service to act swiftly to fully implement Section 254(h) of the 1996 Act.

Schools and Libraries

New Section 254(h) requires all telecommunications carriers, upon request, to provide primary and secondary schools and libraries access to educational telecommunications services at affordable rates. The Act allows the Commission to designate "special" services, and advanced services, that are eligible for universal service support where a customer is an eligible K-12 school or library.

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During the crafting of this legislation in the Senate, we recognized that we had an opportunity to do more than simply open the telecommunications markets to competition -- we also had an opportunity to prepare our children and grandchildren for the future. One of the most important aspects of the information superhighway is its potential to transmit information across traditional boundaries of time and space. This has dramatically changed the way American school children learn and its influence will only increase in the future. As a result, telecommunications can help us provide a world class education to children across America.

We fought to ensure that Section 254(h) remained in the 1996 Act, because it is imperative that the on-ramps to the information superhighway be accessible to all Americans. We cannot tolerate an educational system in the United States that "bypasses" Americans along economic or rural-urban boundaries. Indeed, on June 8, 1995, the United States Senate overwhelmingly endorsed Section 254(h) by a recorded vote of 98 to 1.

Technologically, the world around us is moving swiftly into the 21st century. Our schools, unfortunately, are not. In many areas -- both rural and urban -- they in effect continue to operate in the 19th century, unable to access and utilize the benefits of modern technology. And while technology is certainly no panacea for the problems we face in public education, it can be a useful tool in educational reform and student performance.

We have read the reports of remarkable progress made when the computer serves the curricula-based needs of teachers and students. And, we have seen how individualized study, coupled with the power of collaboration unlimited by time or distance, can hold a student's attention. We designed this important provision to give children in Harvard and Cambridge, Nebraska, opportunities to use telecommunications technologies to learn from libraries and scholars at Harvard and Cambridge Universities by taking long distance, adding value, and transforming it -- via distance learning networks -- into "strong" distance.

Through Internet access, classroom networking, and distance learning, we can lead America's students on an educational journey that will take them around the globe into the world's finest museums, its cutting-edge laboratories, and most prestigious institutions of learning. The journey made possible by the revolution in information technology will enable students to do all these things from classrooms and living rooms. The skills they can acquire through technologically-enhanced learning will help them secure meaningful employment and become informed citizens in a democratic society.

More than a third of all U.S. schools, however, cite *costly telecommunications rates* as the primary barrier to maximizing the use of their telecommunications capabilities. Some schools not only have minimal service, but pay the highest rates in their community. The cost of connectivity and the difficulty these relatively small customers have when requesting service is almost universal.

In addition, rural schools and libraries usually pay more for access to information services than schools and libraries in urban areas, because the information service providers do not have access points in local calling regions, meaning that rural schools and libraries must make a long distance telephone call to access the Internet and other information services.

Thus, as the Commission and the Federal-State Joint Board craft recommendations for the types of services that will be available to K-12 schools and libraries under the universal service system, we encourage you to focus on the particular needs of our children as we enter the 21st Century. A wide variety of services will become commonplace in the workplace of tomorrow, much as the fax and desktop computer have become commonplace today. Therefore, the broader your vision -- the better prepared the students of tomorrow can be.

In addition, because of the specific needs of rural areas, we encourage you to fulfill the requirements of the 1996 Act -- and one of its principal underlying goals -- in a manner that ensures we do not create a nation of technological "haves" and "have nots" based on economic or rural-urban boundaries. Not every school may want precisely the same services, but as with the intent of the Snowe-Rockefeller-Exon-Kerrey provision, the goal is *affordable access*. We should not let a two-tiered education system develop in which wealthier school districts train students on advanced telecommunications technologies, but rural areas and poorer school districts are left out.

For this reason, we believe that it is vital for the Commission and the Federal-State Joint Board to carefully review the special challenges and needs of rural schools and libraries and take action to ensure that the discount provided makes access for these community users truly affordable. To fulfill the intent of the law, every school and library submitting a bona fide request deserves a significant, real, and meaningful discount that ensures classrooms and libraries access to the information superhighway. It is also essential that definitions of "special" services and advanced services be allowed to evolve to include changes and improvements in technology.

Health Care Providers

Turning to the telemedicine portion of the Snowe-Rockefeller-Exon-Kerrey provision, we believe it would be helpful to review telemedicine efforts that are currently in operation to establish comparable rates for rural areas. But while the review is underway, and the Commission works on its proposed rulemaking, there is no reason to delay the implementation of the benefits of the health care provisions of Section 254(h) in obvious instances.

While the basic start-up costs for acquiring telemedicine technology are coming down, transmission costs remain unaffordable for many health care providers. According to the Federal Office of Rural Health Policy, telecommunications transmission prices based on distance are a significant financial barriers to telemedicine in rural areas.

Just one example, a small rural hospital in West Virginia, reported that the estimated charge for a T1 line to allow it to hook up with a larger hospital was an unaffordable $4300 a month. The cost of transmission must be lowered if telemedicine is to become economically feasible for many rural communities.

Where it is in use, telemedicine is an expanding, important part of healthcare in rural America. It means that a paramedic at the scene of an auto accident will be able to send video and medical data straight to physicians and receive recommendations from those physicians within minutes. A family practitioner in a small town in West Virginia, Maine, Nebraska or any state will be able to consult with a specialist at a regional hospital instantly. This will save the patient an extended, costly, lengthy, perhaps painful trip to the specialist.

Telemedicine has enormous promise to expand access and quality health care to rural areas if telecommunications costs become affordable, as promised in the Snowe-Rockefeller-Exon-Kerrey provisions of the 1996 Act that were signed into law.

Conclusion

Implementation of the Snowe-Rockefeller-Exon-Kerrey amendment to the 1996 Act will require creative efforts and consistent oversight to ensure that the provisions and discounts meet the needs of American classrooms, libraries and rural health care providers. As the Commission and the Federal-State Joint Board implement this bold new law to overhaul our nation's universal service system, we urge you to implement Section 254(h) in a broad, comprehensive and flexible manner, and look forward to working with you to make our dream in drafting this legislation become a reality.

Sincerely,

Olympia J. Snowe

John D. Rockefeller IV

J. James Exon

J. Robert Kerrey

cc: The Honorable James Quello
The Honorable Susan Ness
The Honorable Rachelle Chong
The Honorable Julia Johnson
The Honorable Kenneth McClure
The Honorable Sharon L. Nelson
The Honorable Laska Schoenfelder
Martha S. Hogerty, Esq.

EX PARTE OR LATE FILED 96-45

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 21, 1996

The Honorable Olympia J. Snowe
495 Russell Senate Office Building
Washington, D.C. 20510-1903

Dear Senator Snowe:

Thank you for your letter of April 24, 1996, regarding implementation of the universal service provisions of the Telecommunications Act of 1996. As you know, new Section 254(h), which incorporates the provision that you sponsored, establishes the framework to ensure that all of our children will have an equal opportunity to share in the tremendous educational promise of current and emerging telecommunications technologies. Similarly, the telemedicine provisions of Section 254(h) will help guarantee that all regions of the Nation will have access to quality health care services.

We are acting promptly to ensure careful and thorough implementation of the section. On April 12, 1996, we held a meeting of the Federal-State Joint Board on Universal Service. We were fortunate to have the Honorable Richard W. Riley, Secretary of Education, appear before us. Secretary Riley presented his views on the importance of educational technology to our country's economic future and urged that every effort be made to provide schools and libraries with free or reduced rate access to telecommunications services. We also heard from representatives of a coalition of education and library groups, who, like you, believe that telecommunications technology can improve the quality, efficiency and responsiveness of our Nation's educational system. In addition, we hosted experts from the field of telemedicine, who presented valuable information on how the Act can be implemented to further the deployment of the telemedicine facilities in rural areas.

Thank you for your continued interest in this issue and your recommendations regarding the value of Internet access, classroom networking and distance learning to schools and libraries, and your views on the importance of affordable access, especially for schools and libraries in rural or economically disadvantaged areas, to the success of Section 254(h) of Act. I can assure you that your comments will be carefully considered by the Joint Board and a copy of your letter has been included in the record of the universal service proceeding (CC Docket No. 96-45). The Joint Board will also consider your suggestions on how the

services provided to schools and libraries under Section 254(h) of the Act must evolve to reflect changes and improvements in technology as well as the information you provided on telemedicine and its critical significance to quality health care in rural America.

Sincerely yours,

Reed E. Hundt
Chairman

Didn't we have fun in Maine? How about something around Portland, in late August, when the lobsters are fat?

Reed

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1919 M Street, N.W.
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96-45

EX PARTE OR LATE FILED

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 21, 1996

The Honorable J. James Exon
United States Senate
528 Hart Senate Office Building
Washington, D. C. 20510-2702

Dear Senator Exon:

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Sincerely yours,

Reed E. Hundt
Chairman

Many thanks for your leadership on this issue

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WASHINGTON

May 21, 1996

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Reed E. Hundt
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What a pleasure it has been to get to know you. Kids, teachers & I are all in your debt.

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April 24, 1996

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service
(CC Docket No. 96-45)

Dear Mr. Chairman:

The Telecommunications Act of 1996 has the potential to open new doors for Americans everywhere to the exciting realm of technologically assisted education and life-long learning, and improve access to health care in rural areas. As the chief sponsors of new Section 254(h) of the 1996 Act -- the Snowe-Rockefeller-Exon-Kerrey provision -- we believe it is imperative for our nation's universal service system to assure that children and other community users -- particularly in rural areas -- have affordable access to the national information superhighway. Telecommunications transmission costs in rural, remote and underserved areas are much more expensive because of the vast geography and/or low population density.

The Snowe-Rockefeller-Exon-Kerrey provision of the universal service section of the 1996 Act was specifically intended to ensure that our nation's elementary and secondary (K-12) schools, libraries, and rural health care providers have affordable access to essential advanced telecommunications services. If implemented as intended by Congress, the universal service provisions of the Act in general, and new Section 254(h) in particular, will empower individuals by making education and health care accessible to all Americans, regardless of their location, economic status, age or disability.

Section 254(h), if implemented properly, will dramatically change the ways in which American children learn, how adults upgrade their skills, and how rural health care is provided. We urge you and members of the Federal-State Joint Board on Universal Service to act swiftly to fully implement Section 254(h) of the 1996 Act.

Schools and Libraries

New Section 254(h) requires all telecommunications carriers, upon request, to provide primary and secondary schools and libraries access to educational telecommunications services at affordable rates. The Act allows the Commission to designate "special" services, and advanced services, that are eligible for universal service support where a customer is an eligible K-12 school or library.

During the crafting of this legislation in the Senate, we recognized that we had an opportunity to do more than simply open the telecommunications markets to competition -- we also had an opportunity to prepare our children and grandchildren for the future. One of the most important aspects of the information superhighway is its potential to transmit information across traditional boundaries of time and space. This has drastically changed the way American school children learn and its influence will only increase in the future. As a result, telecommunications can help us provide a world class education to children across America.

We fought to ensure that Section 254(h) remained in the 1996 Act, because it is imperative that the on-ramps to the information superhighway be accessible to all Americans. We cannot tolerate an educational system in the United States that "bypasses" Americans along economic or rural-urban boundaries. Indeed, on June 8, 1995, the United States Senate overwhelmingly endorsed Section 254(h) by a recorded vote of 98 to 1.

Technologically, the world around us is moving swiftly into the 21st century. Our schools, unfortunately, are not. In many areas -- both rural and urban -- they in effect continue to operate in the 19th century, unable to access and utilize the benefits of modern technology. And while technology is certainly no panacea for the problems we face in public education, it can be a useful tool in educational reform and student performance.

We have read the reports of remarkable progress made when the computer serves the curricula-based needs of teachers and students. And, we have seen how individualized study, coupled with the power of collaboration unlimited by time or distance, can hold a student's attention. We designed this important provision to give children in Harvard and Cambridge, Nebraska, opportunities to use telecommunications technologies to learn from libraries and scholars at Harvard and Cambridge Universities by taking long distance, adding value, and transforming it -- via distance learning networks -- into "strong" distance.

Through Internet access, classroom networking, and distance learning, we can lead America's students on an educational journey that will take them around the globe into the world's finest museums, its cutting-edge laboratories, and most prestigious institutions of learning. The journey made possible by the revolution in information technology will enable students to do all these things from classrooms and living rooms. The skills they can acquire through technologically-enhanced learning will help them secure meaningful employment and become informed citizens in a democratic society.

More than a third of all U.S. schools, however, cite *costly telecommunications rates* as the primary barrier to maximizing the use of their telecommunications capabilities. Some schools not only have minimal service, but pay the highest rates in their community. The cost of connectivity and the difficulty these relatively small customers have when requesting service is almost universal.

In addition, rural schools and libraries usually pay more for access to information services than schools and libraries in urban areas, because the information service providers do not have access points in local calling regions, meaning that rural schools and libraries must make a long distance telephone call to access the Internet and other information services.

Thus, as the Commission and the Federal-State Joint Board craft recommendations for the types of services that will be available to K-12 schools and libraries under the universal service system, we encourage you to focus on the particular needs of our children as we enter the 21st Century. A wide variety of services will become commonplace in the workplace of tomorrow, much as the fax and desktop computer have become commonplace today. Therefore, the broader your vision -- the better prepared the students of tomorrow can be.

In addition, because of the specific needs of rural areas, we encourage you to fulfill the requirements of the 1996 Act -- and one of its principal underlying goals -- in a manner that ensures we do not create a nation of technological "haves" and "have nots" based on economic or rural-urban boundaries. Not every school may want precisely the same services, but as with the intent of the Snowe-Rockefeller-Exon-Kerrey provision, the goal is *affordable access*. We should not let a two-tiered education system develop in which wealthier school districts train students on advanced telecommunications technologies, but rural areas and poorer school districts are left out.

For this reason, we believe that it is vital for the Commission and the Federal-State Joint Board to carefully review the special challenges and needs of rural schools and libraries and take action to ensure that the discount provided makes access for these community users truly affordable. To fulfill the intent of the law, every school and library submitting a bona fide request deserves a significant, real, and meaningful discount that ensures classrooms and libraries access to the information superhighway. It is also essential that definitions of "special" services and advanced services be allowed to evolve to include changes and improvements in technology.

Health Care Providers

Turning to the telemedicine portion of the Snowe-Rockefeller-Exon-Kerrey provision, we believe it would be helpful to review telemedicine efforts that are currently in operation to establish comparable rates for rural areas. But while the review is underway, and the Commission works on its proposed rulemaking, there is no reason to delay the implementation of the benefits of the health care provisions of Section 254(h) in obvious instances.

While the basic start-up costs for acquiring telemedicine technology are coming down, transmission costs remain unaffordable for many health care providers. According to the Federal Office of Rural Health Policy, telecommunications transmission prices based on distance are a significant financial barriers to telemedicine in rural areas.

Just one example, a small rural hospital in West Virginia, reported that the estimated charge for a T1 line to allow it to hook up with a larger hospital was an unaffordable $4300 a month. The cost of transmission must be lowered if telemedicine is to become economically feasible for many rural communities.

Where it is in use, telemedicine is an expanding, important part of healthcare in rural America. It means that a paramedic at the scene of an auto accident will be able to send video and medical data straight to physicians and receive recommendations from those physicians within minutes. A family practitioner in a small town in West Virginia, Maine, Nebraska or any state will be able to consult with a specialist at a regional hospital instantly. This will save the patient an extended, costly, lengthy, perhaps painful trip to the specialist.

Telemedicine has enormous promise to expand access and quality health care to rural areas if telecommunications costs become affordable, as promised in the Snowe-Rockefeller-Exon-Kerrey provisions of the 1996 Act that were signed into law.

Conclusion

Implementation of the Snowe-Rockefeller-Exon-Kerrey amendment to the 1996 Act will require creative efforts and consistent oversight to ensure that the provisions and discounts meet the needs of American classrooms, libraries and rural health care providers. As the Commission and the Federal-State Joint Board implement this bold new law to overhaul our nation's universal service system, we urge you to implement Section 254(h) in a broad, comprehensive and flexible manner, and look forward to working with you to make our dream in drafting this legislation become a reality.

Sincerely,

Olympia J. Snowe

John D. Rockefeller IV

J. James Exon

J. Robert Kerrey

cc: The Honorable James Quello
The Honorable Susan Ness
The Honorable Rachelle Chong
The Honorable Julia Johnson
The Honorable Kenneth McClure
The Honorable Sharon L. Nelson
The Honorable Laska Schoenfelder
Martha S. Hogerty, Esq.

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

May 21, 1996

OFFICE OF
THE CHAIRMAN

The Honorable John D. Rockefeller IV
United States Senate
109 Hart Senate Office Building
Washington, D. C. 20510-4802T

Dear Senator Rockefeller:

Thank you for your letter of April 24, 1996, regarding implementation of the universal service provisions of the Telecommunications Act of 1996. As you know, new Section 254(h), which incorporates the provision that you sponsored, establishes the framework to ensure that all of our children will have an equal opportunity to share in the tremendous educational promise of current and emerging telecommunications technologies. Similarly, the telemedicine provisions of Section 254(h) will help guarantee that all regions of the Nation will have access to quality health care services.

We are acting promptly to ensure careful and thorough implementation of the section. On April 12, 1996, we held a meeting of the Federal-State Joint Board on Universal Service. We were fortunate to have the Honorable Richard W. Riley, Secretary of Education, appear before us. Secretary Riley presented his views on the importance of educational technology to our country's economic future and urged that every effort be made to provide schools and libraries with free or reduced rate access to telecommunications services. We also heard from representatives of a coalition of education and library groups, who, like you, believe that telecommunications technology can improve the quality, efficiency and responsiveness of our Nation's educational system. In addition, we hosted experts from the field of telemedicine, who presented valuable information on how the Act can be implemented to further the deployment of the telemedicine facilities in rural areas.

Thank you for your continued interest in this issue and your recommendations regarding the value of Internet access, classroom networking and distance learning to schools and libraries, and your views on the importance of affordable access, especially for schools and libraries in rural or economically disadvantaged areas, to the success of Section 254(h) of Act. I can assure you that your comments will be carefully considered by the Joint Board and a copy of your letter has been included in the record of the universal service proceeding (CC Docket No. 96-45). The Joint Board will also consider your suggestions on how the

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services provided to schools and libraries under Section 254(h) of the Act must evolve to reflect changes and improvements in technology as well as the information you provided on telemedicine and its critical significance to quality health care in rural America.

Sincerely yours,

Reed E. Hundt
Chairman

Your leadership is so crucial — many thanks — kids, teachers & I are all in your debt.

United States Senate

WASHINGTON, DC 20510

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